

- TESTIMONY FOR SENATE COMMITTEE HEARING ON HB 143

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- Mr. Chairman, members of the Committee
- I come before you on behalf of the Office of Public Affairs for the Church of Jesus Christ of Latter-day Saints.
- The LDS church vary rarely weighs in on matters of public policy, and even more rarely takes a position on specific legislation such as HB 143. However, the Church feels compelled to makes its views known on this proposed legislation.
- As HB 143 is presently written, the LDS Church neither supports nor opposes the bill.
- However, the LDS church is a strong proponent of the exemption language currently contained in this legislation in section 2(1)(b) of this bill for churches, conventions, and associations of churches, and their integrated auxiliaries.
- As you have heard from the sponsor of this bill, HB 143 is designed to codify into Montana law the "unified charity registration statement" developed by the National Association of Attorneys General and the National Association of State Charities Officials.
- The LDS Church does not oppose the intent of this bill; however, should this esteemed Committee see fit to pass this legislation out of committee, the Church strongly recommends the church exemption be left intact.
- The following website contains a summary of various state laws regarding the regulation of charitable solicitation. <http://www.multistatefiling.org/index.html>. I have brought for the Committee's review a copy of the summary of other state laws relating to charity registration.
- As you will quickly note from reviewing other state charity registration laws, almost every other state in the United States exempts from reporting and filing "churches," "religious corporations," or "religious organizations" from state charity registration.
- This exemption for churches, conventions and associations of churches, and their integrated auxiliaries makes sense both on practical and constitutional grounds.

- The exemption presently in HB 143 is designed to protect faith-based organizations from intrusive government reporting requirements.
- The term “churches” exempts “religious congregations” from the reporting requirements and fees contained in this bill.
- The remaining terms, “conventions and associations of churches, and their integrated auxiliaries” covers other religious organizations that technically are not “churches” but are nevertheless exempted in charitable solicitation registration schemes in other states.
- Examples of religious organizations that are not churches (principally because they do not encompass a regular congregation of worshippers) include
  - a) religious orders,
  - b) conventions and associations of churches,
  - c) mission societies,
  - d) women’s and men’s auxiliaries,
  - e) parochial and other religious schools,
  - f) religious ministries and camps,
  - g) church foundations and
  - h) religious regional and denominational adjudicatories and agencies.
- As I stated, the broad church exemption currently in the bill covers these additional religious organizations. The exemption makes sense and should remain in the bill.
- This is because religious organizations are normally exempt from charitable solicitation registration in order to avoid First Amendment problems arising from state entanglement and intrusion.
- In addition, religious organizations typically seek charitable donations only from their members -- persons who are naturally familiar with the organization’s financial condition and activities and, therefore, persons able to determine the worthiness of the cause.
- Requiring the public disclosure specified in the unified registration statement, and as provided for in this bill for religious entities in Montana, invites public controversy that would impede a religious organization’s ability to accomplish its mission.
- This is a road down which this legislature should not walk.
- We can avoid these entanglement problems on this bill by keeping the religious exemption in the bill as written.
- It is our understanding that the purpose of this bill is to prevent bad actors from carrying out wrongful charitable solicitations within the borders of the State of Montana. This is a

laudable goal. However, it can hardly be argued that the LDS Church or any other faith-based organization, such as the Catholic Church, that is already filing an annual corporate report with the Montana Secretary of State's office, is likely to engage in fraudulent charitable solicitations within this State.

- In light of these concerns, the LDS Church respectfully requests that, if this bill is to be sent to the full Senate for its consideration, that the exemption for religious organizations as currently set forth in Section 2(1)(b) of this bill be left as currently written.
- Thank you for your time and attention to this request. Should you have any questions about the contents of this testimony, please call Jim Brown at 406-925-1745.